

***Full Cost Decision Memorandum: G&A Cost and Rates (GA-01)***

***Issue:***

How are Center General & Administrative (G&A) cost managed?

***Source / reference:***

LaRC Full Cost Implementation Team (2003-2004)  
LaRC Office of the Chief Financial Officer (OCFO)

***Background:***

The Agency has established cost elements that are approved to be funded in Center G&A. In addition, the Center G&A content, costs, and rates are approved each year by Center Management and Headquarters during the budget formulation process.

***Options:***

Follow established budget formulation and execution practices

***Decision:***

Center management is responsible for controlling the cost and content of the Center G&A account consistent with Agency guidance. In addition, G&A organizational managers and the OCFO should monitor actual expenditures vs. plan on a routine basis to determine any variances, rate changes, etc. The OCFO has established separate accounts for each organization/ function approved in G&A to enable easy understanding and review of costs and content. Based on periodic financial analysis throughout the fiscal year, the OCFO should estimate any rate/cost changes projected through the end of the year. Any rate changes should occur consistent with the established policies on service pool usage updates and workforce usage updates. In that regard, the Center and OCFO will seek to maintain rate stability as much as possible.

***Approved by LaRC CFO (Ken Winter) 3/29/04***

---